The Budget 2026

What it means for you and your business

BOROUGHBRIDGE & DISTRICT CHAMBER OF TRADE EST. 1968



The Chancellor, John Healey, delivered his Budget on 28 October 2026. There are no rises to the headline rates of income tax, National Insurance or VAT, and real help for the high street – but higher tax for landlords and savers, and less relief for most business sales, balanced by a new Founders' Relief.

This guide picks out what matters most for Chamber members: shops and hospitality, employers, trades and transport firms, property businesses and owner-managers.

Key dates at a glance

Now CONFIRMED	55p mileage rate for the first 10,000 business miles made permanent.
1 Apr 2027 COMING	National Living Wage £13.21. Small business rates relief up to £18,000 rateable value for shops, pubs and hotels.
6 Apr 2027 COMING	Higher tax on rent and savings. BADR limit halved. Trading allowance £3,000. MTD from £30,000. Mileage above 10,000 miles up to 35p.
1 Jul 2027 ENDS	5p fuel duty cut, red diesel cut and HGV road tax holiday all run until this date.
Oct 2027 COMING	Online marketplaces collect VAT for UK sellers.
Apr 2029 COMING	More regular payments on account. VAT and PAYE by Direct Debit.

What hasn't changed

- **Corporation tax** stays at 25%, with the 19% small profits rate.
- **Annual Investment Allowance** stays at £1 million.
- **Dividend tax** rates of 10.75% and 35.75% continue.

BUSINESS RATES · ENGLAND · FROM APRIL 2027

Shops, cafés, pubs and hotels

- **Two-year real-terms freeze** in business rates for all retail, hospitality and leisure properties.
- The **Small Business Rates Relief threshold rises from £12,000 to £18,000** rateable value, taking around **70,000 more** businesses out of rates altogether.
- **Pubs and music venues** keep the extra 20% rates cut announced in July.
- From **October 2027**, online marketplaces must collect VAT for UK sellers with more than £90,000 of sales through them – levelling the field for high-street shops.
- Tariffs suspended on over 100 food products until December 2028.

Check your rateable value at gov.uk/find-business-rates – if it is £18,000 or less, you may pay nothing.

FROM 1 APRIL 2027

If you employ staff

Hourly rate	From 1 Apr 2027
National Living Wage (21+)	**£13.21**
18 to 20 year olds	**£11.27**

- Both rise by 3.9% – about £910 a year for a full-time worker on the National Living Wage.
- No rise to the headline rates of employer National Insurance.
- Budget for this alongside the Employment Rights Act changes – see our earlier member guide.

Trades, vans and transport

- **Fuel duty:** the 5p cut is extended to 1 July 2027.
- **Red diesel:** the 3.7p duty cut is extended to 1 July 2027.
- **HGVs:** the road tax holiday runs to 1 July 2027.
- **Heating oil:** tariffs on kerosene suspended until December 2028.

The Budget in numbers

£13.21
National Living Wage from 1 April 2027

70,000
more shops, pubs and cafés out of business rates

5p
fuel duty cut extended to 1 July 2027

£18,000
rateable value – new small business rates relief threshold

Source: HM Treasury, Budget 2026 (28 October 2026). Prepared by BCT Accountants for Chamber members. General information only, not tax advice.

Investing and mileage

- The **£1 million Annual Investment Allowance** is unchanged and still gives full relief on most businesses' equipment and van purchases in the year they buy.
- *Larger spenders:* the first-year allowance rises from 40% to 50% from 1 January 2027 (not cars).
- **Mileage:** 55p tax-free for the first 10,000 business miles is now permanent, and the rate above that rises from 25p to **35p** from 6 April 2027. Covers employees and the self-employed using their own car or van.

FROM 6 APRIL 2027

Landlords and savers

Tax on rental income and savings interest rises by a further two percentage points, on top of the two points announced last year. Treasury says 84% of income taxpayers are unaffected.

Rent (England) and savings	Now	Apr 2027
Basic rate	20%	**24%**
Higher rate	40%	**44%**
Additional rate	45%	**49%**

- A higher-rate landlord with £10,000 of taxable rental profit pays **£400 more** a year.
- Landlords with property and self-employed income over £30,000 join Making Tax Digital from April 2027 (see right). Letting agents may want to share this guide with their landlords.

FROM 6 APRIL 2027

Selling or passing on your business

- **Business Asset Disposal Relief** (18% CGT) lifetime limit falls from £1 million to **£500,000**. Treasury says three-quarters of claimants will still get relief on their whole gain.
- On a £1 million gain, a higher-rate taxpayer would pay an extra **£30,000**.
- A new **Founders' Relief** offers 10% on up to £10 million of gains for founders of high-growth companies.

The local angle – North Yorkshire

- **Overnight Visitor Levy:** York and North Yorkshire will get the power to introduce one – one to watch for hotels and holiday parks.
- **AI pilot:** York and North Yorkshire is one of three areas sharing £30m for local AI adoption.
- **Energy:** £100 payment for homes in council tax bands A–D from January 2027.

SOLE TRADERS AND LANDLORDS

Making Tax Digital for Income Tax

MTD applies where your combined **gross** income from self-employment and property (turnover, not profit) is over the threshold:

From	Income over
6 April 2026	£50,000
6 April 2027	**£30,000**
6 April 2028	£20,000

- Keep digital records and send **quarterly updates** to HMRC using compatible software, then a final return after the year end.
- Get software in place and start keeping digital records now, ahead of your start date.

For you personally

- **Side income:** the trading allowance triples from £1,000 to **£3,000** from April 2027.
- **Savers:** the cash ISA limit stays at **£20,000**.
- **Pensioners:** a new Pension Tax Allowance means those with income no higher than the full new State Pension won't be taxed because of State Pension rises.
- **From April 2029:** payments on account spread through the year, and VAT and PAYE paid by Direct Debit.

What should you be doing now?

- ✓ **Shops and hospitality:** check whether your rateable value is under £18,000.
- ✓ **Employers:** budget for the April 2027 wage rises alongside the Employment Rights Act.
- ✓ **Big investment planned?** Check how the £1m allowance and the new 50% allowance apply.
- ✓ **Landlords:** review rents, finance and Making Tax Digital before April 2027.
- ✓ **Thinking of selling?** Take advice on timing before 6 April 2027.
- ✓ **Selling online?** Check your marketplace VAT position before October 2027.

Useful links

- **Budget 2026 in full:** gov.uk/government/collections/budget-2026-in-full
- **Check your rateable value:** gov.uk/find-business-rates
- **Minimum wage rates:** gov.uk/national-minimum-wage-rates

Questions about how the Budget affects you?

BCT Accountants can look at your own position – landlords, savers, business sales and Making Tax Digital.

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